

LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Deborah F. Butler, Legal Counsel



January 22, 2013

EXHIBIT 4
DATE 1-23-13
HB Montana University System

Deputy Legislative Auditors:
Cindy Jorgenson
Angus Maciver

Representative Donald Jones
1945 Clark Ave.
Billings, MT 59102-4019

Representative Jones:

You recently asked our office for a summary of the amounts, by agency, of the Rent and Maintenance Internal Service Fund rent holiday used by Department of Administration's General Services Division in fiscal year 2012. Enclosed you will find a memorandum related to your request.

You also requested that our office determine if additional holidays were used by other internal service funds. Based on our preliminary work, we are aware of other internal service funds that have used rent holidays. We are still performing work over this request, and will provide you with more information on that subject as it becomes available.

If you would like further assistance, or have questions regarding the information provided, please do not hesitate to contact me at 444-3122.

Sincerely,

A handwritten signature in black ink, appearing to read "Tori Hunthausen".

Tori Hunthausen, CPA
Legislative Auditor

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LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
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MEMORANDUM

TO: Tori Hunthausen, Legislative Auditor
FROM: Karen Simpson, Financial-Compliance Senior Auditor
DATE: January 22, 2013
SUBJECT: Rent Holiday Used by Department of Administration's General Services Division in Fiscal Year 2012, Legislative Request 13L-3653

We were asked to provide a summary of the amount, by agency, of the Rent and Maintenance Internal Service Fund rent holiday used by Department of Administration's (department) General Services Division in fiscal year 2012.

Section 17-8-101(6), MCA, requires fees and charges for services deposited in an internal service fund be based on commensurate costs. The department determined fees would not be commensurate with costs in fiscal year 2012 for the Rent and Maintenance Internal Service Fund if the fund billed state agencies for rent each month. To ensure compliance with §17-8-101(6), MCA, the department used a rent holiday to reduce the fees deposited in the fund. The rent holiday was applicable to office, warehouse, and grounds rent for December 2011 and January 2012.

Attachment #1 to this memo contains a summary of the total dollar amount of the rent holiday, by state agency. Agencies not included on the attachment are those that do not rent workspace through Department of Administration.

We were also asked to determine if additional rent holidays were used by other internal service funds. Based on our work at agencies, we are aware of other internal service funds that have used holidays to ensure compliance with §17-8-101(6), MCA. We are still performing work over this portion of the request, and will provide a separate memo summarizing the information that we obtain.

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Attachment 1

Summary of FY2012 Rent and Maintenance Internal Service Fund Rent Holiday, by Agency

Department/Agency	FY2012 Rent Holiday in Dollars
Department of Administration	\$204,164
Department of Agriculture	28,640
Department of Corrections	58,762
Department of Environmental Quality	188,940
Department of Fish, Wildlife, & Parks	53,944
Governor's Office	30,924
Historical Society	63,054
Department of Justice	104,812
Department of Labor & Industry	91,068
Legislative Services *	34,518
Montana State Library	55,350
Department of Livestock	23,370
Department of Natural Resources & Conservation	63,464
Commissioner of Political Practices	2,328
Department of Public Health & Human Services	226,566
Office of Public Instruction	53,716
Department of Revenue	84,026
Secretary of State	39,306
Supreme Court **	74,578
Total	\$1,481,530

Source: Compiled by Legislative Audit Division from Department of Administration records.

* - Legislative Services is contained within the Legislative Branch.

** - The Supreme Court is contained within the Judicial Branch.